

# IDT AUSTRALIA LIMITED

ABN 66 006 522 970

Notice of General Meeting  
And  
Explanatory Memorandum

9 October 2013



## **IDT AUSTRALIA LIMITED**

ABN 66 006 522 970

### **Notice of General Meeting**

Notice is given for a General Meeting of the Company to be held at 45 Wadhurst Drive, Boronia, Victoria, 3155 at 10:00am on 9 October 2013.

#### AGENDA

#### **Business item**

##### **Resolution 1: Approval of Share Placement**

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*"That for the purposes of ASX Listing Rule 7.1, and for all other purposes, the Directors are authorised to issue and allot up to 11,481,482 shares in the Company to sophisticated and professional investors, at an issue price of \$0.27 per Share and otherwise on the terms set out in the attached Explanatory Statement."*

##### **Resolution 2: Participation of Graeme Kaufman in the Placement**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*"That subject to the passing of Resolution 1, for the purpose of Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the Directors to issue and allot Shares on the same terms and conditions as the other participants in the Placement to Graeme Kaufman (or his nominee) of up to 185,000 Shares."*

##### **Resolution 3: Participation of Paul MacLeman in the Placement**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*"That subject to the passing of Resolution 1, for the purpose of Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the Directors to issue and allot Shares on the same terms and conditions as the other participants in the Placement to Paul MacLeman (or his nominee) of up to 111,000 Shares."*

##### **Resolution 4: Ratification of Share issue to I'rom Holdings Co. Ltd**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 5,680,794 Shares at an issue price of \$0.20 per share to I'rom Holdings Co. Ltd pursuant to a placement on the terms set out in the Explanatory Memorandum accompanying this Notice of Meeting."*

**Resolution 5: Ratification of Share issue to eligible employees under the Employee Share Plan**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 206,235 Shares at an issue price of \$0.224 per share to eligible employees under the Employee Share Plan on the terms set out in the Explanatory Memorandum accompanying this Notice of Meeting.”*

**Resolution 6: Ratification of option issue to Dr Paul MacLeman**

To consider and if thought fit, pass with or without amendment the following resolution as an ordinary resolution:

*“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 500,000 unlisted options on 15 April 2013 to Dr Paul MacLeman as part of his employment package, of which 250,000 options are exercisable at \$0.298 and the remaining 250,000 are exercisable at \$0.373, and all expiring on 15 April 2017, under the Executive Share Option Plan on the terms set out in the Explanatory Memorandum accompanying this Notice of Meeting.”*

**By order of the Board  
Roman Najdecki  
Company Secretary**

4 September 2013

### **Explanatory Memorandum**

The Explanatory Memorandum accompanying this Notice is incorporated into and forms part of this Notice of Annual General Meeting.

### **Snapshot Date**

For the purposes of voting at this meeting, the directors have determined that all shares of the Company that are quoted securities at 7:00pm (Melbourne time) on 7 October 2013 are taken to be held by the persons who are registered as holding them at that time. The entitlement of members to vote at the meeting will be determined by reference to that time.

### **Questions and Comments**

The Chairman will give shareholders a reasonable opportunity to ask questions about or comment on the resolutions.

### **Proxies**

A shareholder entitled to attend and vote at the General Meeting is entitled to appoint a proxy. The proxy may be an individual or a body corporate. A proxy need not be a shareholder of the Company. A shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If a shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise, each proxy may exercise half of the votes (disregarding fractions).

For an appointment of a proxy to be valid, the form appointing the proxy and, if the form is signed under a power of attorney or other authority, the authority under which the form is signed (or a certified copy of the authority) must be received at the following addresses or by fax at least 48 hours prior to the meeting at which the proxy intends to vote:

By mail:

**Computershare Investor Services Pty Limited**

GPO Box 242

Melbourne VIC 3001

By Fax:

1800 783 447 (from within Australia)

+61 3 9473 2555 (from outside Australia)

A proxy form accompanies this Notice of General Meeting. Additional proxy forms are available on request from the registered office of the Company or its share registrar.

### **Bodies Corporate**

A body corporate may appoint an individual as a representative to exercise all or any of the powers the body corporate may exercise at meetings of a company's shareholders or in the capacity of a shareholder's proxy. The appointment may be a standing one. Unless otherwise specified in the appointment, the representative may exercise, on the body corporate's behalf, all of the powers that the body could exercise at a meeting or in voting on a resolution.

# IDT AUSTRALIA LIMITED

ABN 66 006 522 970

## Explanatory Memorandum

This Explanatory Memorandum has been prepared for the information of shareholders of the Company in connection with the business to be conducted at the Extraordinary General Meeting of shareholders to be held on 9 October 2013.

### 1. Resolution 1: Placement

#### 1.1 Introduction – Proposed Issue of Placement Shares

IDT Australia Limited ACN 006 522 970 (the **Company** or **IDT**) on 29 August 2013 announced an underwritten:

- (a) non-renounceable pro-rata entitlement Offer of 1 new Share for every 5 shares held as at 9 September 2013 which on completion will result in the issue of 10,679,659 fully paid ordinary shares in the capital of IDT (**Rights Issue**); and,
- (b) subject to IDT shareholders approval, an underwritten placement of 11,481,482 fully paid ordinary shares in the capital of IDT (**Placement Shares**).

The accompanying Notice of Meeting and this Explanatory Memorandum relates to the proposed issue of the Placement Shares and other capital matters for the Company.

You should carefully read this Explanatory Memorandum and seek your own independent legal, accounting and financial advice in relation to the matters which are the subject of the Notice of Meeting.

#### 1.2 Overview

Subject to IDT shareholder approval, the Company proposes to issue the Placement Shares to sophisticated and professional investors in order to raise up to \$3.1 million (**Placement**). This Placement is fully underwritten by Wilson HTM Corporate Finance Ltd ACN 057 547 323 (**Placement Underwriter**).

As at the date of this Meeting it is anticipated that the Company would have also completed its Rights Issue and raised approximately \$2,883,508 (before the costs of the offer).

As at the date of this Explanatory Memorandum the issued capital of the Company:

<b>Number of Shares on issue as at the date of this Information Memorandum</b>	53,398,294
<b>Number of Shares on issue the completion of the Rights Issue</b>	64,077,953
<b>Proposed issue of Placement Shares to sophisticated and professional investors</b>	11,481,482
<b>Total number of Shares on issue (after Rights Issue and the Placement)</b>	75,559,435

ASX Listing Rule 7.1 prohibits a company from issuing or agreeing to issue equity securities which amounts to more than 15% of its ordinary securities without the approval of its shareholders or otherwise as permitted by the ASX Listing Rules.

The Company therefore seeks shareholder approval for the issue of the Placement Shares (which is the subject of Resolution 1).

Shares to sophisticated and professional investors pursuant to ASX Listing rule 7.1.

### **1.3 Regulatory background – ASX Listing Rule 7.1**

ASX Listing Rule 7.1 sets out the regulatory requirements that must be satisfied in relation to the issue of Placement Shares under Resolution 1.

The Company intends to issue 11,481,482 fully paid ordinary shares at an issue price of A\$0.27 per share. This number of shares equates to approximately 15% of the issued share capital of the Company (including the shares issued pursuant to the Rights Issue).

ASX Listing Rule 7.3 requires that a notice of meeting pursuant to which Shareholders are requested to consider approving an issue of shares pursuant to ASX Listing Rule 7.1 must include certain specified information in relation to the securities to be issued. This information is set out below:

(a) **maximum number of securities to be issued:**

*11,481,482 Shares*

(b) **date which the securities are to be issued**

*The Placement Shares are to be issued as soon as practical after IDT shareholder approval but in any event within 3 months of the date of IDT shareholder approval (or such later date to the extent permitted by any waiver that may be granted by ASX).*

(c) **issue price of the securities:**

*A\$0.27 per Share*

(d) **names of the allottee/s (if known):**

*The names of the allottees of Placement Shares are unknown at this stage. The Placement Shares will be issued and allotted to investors to whom disclosure pursuant to Chapter 6D of the Corporations Act is not required, as determined by IDT and the Underwriters.*

(e) **terms of the securities:**

*Fully paid ordinary shares in the capital of the Company*

(f) **the intended use of the funds raised:**

*The funds raised from the Placement, together with the Rights Offer funding and existing cash reserves, will be used to fund the Company and its strategy for growth.*

## **1.4 Financial considerations**

### **1.4.1 Financial position of IDT: before and after the Share Placement**

IDT's Net Asset position of \$26.029m as at 30 June 2013 will be improved by a further \$2.945m following the Share Placement.

### **1.4.2 IDT tax considerations**

The Share Placement will have no impact on IDT's tax position.

## **1.5 Advantages of the Placement.**

The Board is of the view that the proposed Placement has significant potential advantages, including the following:

- Improving the Company's capital position;
- Allowing the Company to independently fund proposed drug registrations; and
- Accelerating the development of IDT's CMAX clinical trials business

## **1.6 Disadvantages of the Placement**

The Board is of the view that the proposed Placement has limited disadvantages, including the following:

- The issue of Placement Shares will result in dilution of existing shareholders holdings.

## **1.7 IDT Board Recommendation**

IDT shareholders should seek their own financial and taxation advice concerning the proposed Share Placement having regard to the information contained in this Explanatory Memorandum.

The price of A\$0.27 is equivalent to a 13.9% discount to the 20 day volume weighted average price of the Company's shares prior to the announcement of Placement.

The Board recommends that shareholders vote in favour of Resolution 1.

## **1.8 Voting exclusions – Resolution 1**

Pursuant to ASX Listing Rules 7.3 and 14.11.1 IDT will disregard any votes cast on Resolution 1 by:

- any person who may participate in the proposed issue pursuant to this Resolution 1; and
- an associate of that person (or those persons).

However, IDT need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## **2. Resolutions 2 & 3: Directors' participation in the Placement**

### **2.1 Background**

The Participating Directors wish to participate in the Placement on the same terms as the other participants. The extent of each Participating Director's participation is described in Resolution 2 (in respect of Graeme Kaufman) and Resolution 3 (in respect of Paul MacLeman) and is subject to Shareholder approval in each case. The participation of the Participating Directors in the Placement are not interdependent and there may be circumstances where the Company issues Placement Shares to none of or only one of Messrs Graeme Kaufman and Paul MacLeman.

### **2.2 ASX Listing Rules**

ASX Listing Rule 10.11 provides that a listed company must not, without the approval of ordinary shareholders, issue equity securities to a related party. A "related party" (as defined in the ASX Listing Rules) includes the directors of the listed company.

ASX Listing Rule 10.13 requires that the notice in relation to a proposed resolution to approve an issue of securities to a related party, include the following information:

#### **(a) name of the Directors**

*The Placement Shares described in Resolutions 2 and 3 will be issued and allotted to:*

- (i) Graeme Kaufman (or their respective nominee) (in respect of Resolution 2); and*
- (ii) Paul MacLeman (or their respective nominee) (in respect of Resolution 3),*

*(collectively, **Participating Directors**).*

#### **(b) maximum number of securities to be issued**

*The maximum number of Placement Shares to be offered to each of the Participating Directors will be in aggregate 296,000, issued:*

- (i) as to 185,000 Placement Shares to Graeme Kaufman (in respect of Resolution 2), and*
- (ii) 111,000 Placement Shares to Paul MacLeman (in respect of Resolution 3).*

*Any Placement Shares issued as a result of Resolutions 2 or 3 being passed will be issued at the same price and on the same terms and conditions (as noted above in in Resolution 1) as those Placement Shares issued to other participants under the Placement.*

*Where not approved, the Placement Shares which are subject of Resolutions 2 and 3 will be within the underwriting agreement with the Underwriter and placed to other sophisticated and professional investors determined by the Company and the Underwriter.*

**(c) date which the securities are to be issued**

*The Placement Shares described in Resolutions 2 and 3 will be issued within 1 month of the date of this Meeting (or such later date to the extent permitted by any waiver that may be granted by ASX), and they are to be issued at the same time as the other participants in the Placement which is expected to occur within that period.*

**(d) issue price of securities**

A\$0.27 per Share

**(e) terms of the securities:**

*Fully paid ordinary shares in the capital of the Company*

**(f) intended use of funds**

*The funds raised from the issue of the Placement Shares (under Resolutions 2 and 3) will be applied in the same manner as the other funds raised under the Placement (as outlined above in Resolution 1).*

**2.3 Chapter 2E Corporations Act:**

Under the Corporations Act, the provision of any financial benefit to a related party requires shareholder approval in accordance with the procedure set out in Part 2E.1 of that Act, unless one of a number of exceptions applies. Part 2E.1 of the Corporations Act applies to the issuance of securities to a related party. A "related party" (as defined in the Act) includes the Directors of the Company.

With respect to Resolutions 2 and 3, relating to the issuance of Placement Shares to the Participating Directors as the Placement Shares are being issued on the same terms as other participants under the Placement, the Board is of the view that the Placement Shares to be issued meets the "arm's length terms" criteria of Section 210 of the Corporations Act. Accordingly, the Board considers that the "arms length" exemption applies in these circumstances and shareholder approval is not being sought for the purpose of Chapter 2E of the Corporations Act.

**2.4 Resolution 2 – IDT Board Recommendation**

The Board (excluding Graeme Kaufman) recommends that shareholders vote in favour of Resolution 2.

**2.5 Resolution 3 – IDT Board Recommendation**

The Board (excluding Paul MacLeman) recommends that shareholders vote in favour of Resolution 3.

**2.6 Voting Exclusion Statements**

**Resolution 2 – Voting Exclusion Statement**

For the purposes of ASX Listing Rule 10.13.6, the Company will disregard any votes cast on Resolution 2 by:

- (i) Graeme Kaufman; and

- (ii) any associate of Graeme Kaufman.

However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## **2.7 Resolution 3 – Voting Exclusion Statement**

For the purposes of ASX Listing Rule 10.13.6, the Company will disregard any votes cast on Resolution 3 by:

- (i) Paul MacLeman; and
- (ii) any associate of Paul MacLeman.

However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## **3. Resolution 4: Ratification of the Share issue to I'rom Holdings Co. Ltd**

### **3.1 Background**

Under Resolution 4 the Company is seeking Shareholder approval under Listing Rule 7.4 for ratification and approval of the issue by the Company on 10 May 2013 to Japanese company I'rom Holdings Co. Ltd (**I'rom**) of 5,680,794 Shares at a subscription price of \$0.20 per Share pursuant to a placement as announced on 7 May 2013.

A total of 10,000,000 Shares were issued to I'rom under the placement representing 18.8% of the Company's share capital. A total of 4,319,206 Shares were issued pursuant to ASX Listing Rule 7.1A and a total of 5,680,794 Shares were issued pursuant to ASX Listing Rule 7.1.

Under Listing Rule 7.1, the Company may issue up to 15% of its ordinary share capital in any 12-month rolling period without shareholder approval. Listing Rule 7.4 permits a company to obtain ratification from its shareholders in relation to a prior share issue (and thereby refresh the Company's ability in the future to issue up to 15% of its share capital without obtaining prior shareholder approval).

The issue of the Shares to the Subscribers was within the 15% limitation imposed by ASX Listing Rule 7.1, however the Company is now seeking shareholder ratification and approval for the issue of these Shares which will effectively refresh the Company's ability to issue further securities under its 15% authority pursuant to ASX Listing Rule 7.1.

### 3.2 Regulatory Requirements – Resolution 4

The ASX Listing Rules set out a number of regulatory requirements that must be satisfied in relation to the ratification of the issue of securities under resolution 4. These are summarised below.

### 3.3 Information required under ASX Listing Rule 7.5 – Resolution 4

ASX Listing Rule 7.5 requires that the meeting documents concerning a proposed resolution to approve an issue of securities in accordance with ASX Listing Rule 7.4 must include the following information:

<b>The number of securities issued:</b>	<i>5,680,794</i>
<b>The issue price of the securities:</b>	<i>\$0.20</i>
<b>The names of the allottee:</b>	<i>I'rom Holdings Co. Ltd</i>
<b>The terms of the securities</b>	<i>Fully paid ordinary shares</i>
<b>The intended use of the funds raised:</b>	<i>The funds raised under the placement are to be used to fund and accelerate the development of IDT's CMAX clinical trials business in conjunction with I'rom, to initiate the process of setting up a network of medical institutions, and for working capital requirements.</i>

### 3.4 Effect of passing of Resolution 4

Resolution 4, if passed, will enable the Company to retain the flexibility to issue equity securities within the next 12 months up to the 15% threshold without the requirement to obtain prior Shareholder approval.

### 3.5 IDT Board Recommendation

The Board recommends that shareholders vote in favour of Resolution 4.

### 3.6 Voting Exclusion

Pursuant to ASX Listing Rule 7.5.6 the Company will disregard any votes cast on resolution 4 by:

- I'rom; and
- any associate of I'rom.

However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### **4. Resolution 5 – Ratification of Share issue to eligible employees under the Employee Share Plan**

##### **4.1 Background**

Pursuant to this Resolution 5, the Company is seeking Shareholder approval for the issue of 206,235 Shares to eligible employees of IDT Australia Ltd at an issue price of \$0.224 per Share under the Company's employee share plan (**Employee Share Plan**) on 13 August 2013 (**Employee Share Issue**).

The Employee Share Issue was issued to eligible employees for nil consideration, and the aggregate value of these Shares is \$46,197.

Under Listing Rule 7.1, the Company may issue up to 15% of its ordinary share capital in any 12-month rolling period without shareholder approval. Listing Rule 7.4 permits a company to obtain ratification from its shareholders in relation to a prior share issue (and thereby refresh the Company's ability in the future to issue up to 15% of its share capital without obtaining prior shareholder approval).

The Employee Share Plan was approved by Shareholders for the purpose of ASX Listing Rule 7.2 (Exception 9) as an exception to ASX Listing Rule 7.1 (**Exemption**) in 1999. As the Exception only applies for a three year period from the date of the approval, the Employee Share Issue will count towards the Company's 15% capacity pursuant to ASX Listing Rule 7.1.

The Employee Share Issue was within the 15% limitation imposed by ASX Listing Rule 7.1, however the Company is now seeking shareholder ratification and approval for the issue of these Shares which will effectively refresh the Company's ability to issue further securities under its 15% authority pursuant to ASX Listing Rule 7.1.

##### **4.2 Regulatory Requirements – Resolution 5**

The ASX Listing Rules set out a number of regulatory requirements that must be satisfied in relation to the ratification of the issue of securities under resolution 5. These are summarised below.

##### **4.3 Information required under ASX Listing Rule 7.5 – Resolution 5**

ASX Listing Rule 7.5 requires that the meeting documents concerning a proposed resolution to approve an issue of securities in accordance with ASX Listing Rule 7.4 must include the following information:

<b>The number of securities issued:</b>	206,235
<b>The issue price of the securities:</b>	\$0.224
<b>The names of the allottees:</b>	<i>Eligible Employees who received Shares under the ESP</i>

<b>The terms of the securities</b>	<i>Fully paid ordinary shares Three year holding lock from the date of issue.</i>
<b>The intended use of the funds raised:</b>	<i>No funds were raised from the issue of these Shares</i>

#### **4.4 Effect of passing of Resolution 5**

Resolution 5, if passed, will enable the Company to retain the flexibility to issue equity securities within the next 12 months up to the 15% threshold without the requirement to obtain prior Shareholder approval.

#### **4.5 IDT Board Recommendation**

The Board recommends that shareholders vote in favour of Resolution 5.

#### **4.6 Voting Exclusion**

Pursuant to ASX Listing Rule 7.5.6 the Company will disregard any votes cast on resolution 5 by:

- Eligible Employees who received Shares under the ESP; and
- any associate of the Eligible Employees who received Shares under the ESP.

However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### **5. Resolution 6 – Ratification of option issue to Paul MacLeman**

#### **5.1 Background**

On 15 April 2013 the Company has issued a total of 500,000 options to Paul MacLeman under the terms of the Company's executive share option plan approved by Shareholders on 16 May 1995 (and modified by shareholders on 27 October 1995 and 21 March 2000) (collectively referred to as the "**ESOP**"). The issue of these options has been taken into account in calculating the threshold of 15% of the issued capital of the Company, but the Board would like the flexibility to issue further Shares over the next 12 months without taking into account the number of Shares represented by these options.

Listing Rule 7.4 permits a company to obtain ratification from its shareholders in relation to a prior option issue (and thereby refresh the Company's ability in the future to issue up to 15% of its share capital without obtaining prior shareholder approval).

## 5.2 Regulatory Requirements – Resolution 6

The ASX Listing Rules set out a number of regulatory requirements that must be satisfied in relation to the ratification of the issue of securities under resolution 6. These are summarised below.

## 5.3 Information required under ASX Listing Rule 7.5 – Resolution 6

ASX Listing Rule 7.5 requires that the meeting documents concerning a proposed resolution to approve an issue of securities in accordance with ASX Listing Rule 7.4 must include the following information:

<b>The number of securities issued:</b>	<i>500,000 unlisted options were allotted on 15 April 2013</i>
<b>The issue price of the securities:</b>	<i>Nil cash consideration</i>
<b>The names of the allottees:</b>	<i>Paul MacLeman</i>
<b>The terms of the securities</b>	<i>(1) 250,000 options exercisable at \$0.292 to acquire one fully paid ordinary share in the Company at any time until 15 April 2017 (2) 250,000 options exercisable at \$0.373 to acquire one fully paid ordinary share in the Company at any time until 15 April 2017</i>
<b>The intended use of the funds raised:</b>	<i>No funds were raised from the issue of these options</i>

## 5.4 Effect of passing of Resolution 6

Resolution 6, if passed, will enable the Company to retain the flexibility to issue equity securities within the next 12 months up to the 15% threshold without the requirement to obtain prior Shareholder approval.

## 5.5 IDT Board Recommendation

The Board (excluding Paul MacLeman) recommends that shareholders vote in favour of Resolution 6.

## 5.6 Voting Exclusion

Pursuant to ASX Listing Rule 7.5.6 the Company will disregard any votes cast on resolution 6 by:

- Paul MacLeman; and
- any associate of Paul MacLeman.

However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## **6. Further information**

The directors of the Company are not aware of any other information which is relevant to the consideration by members of the proposed resolutions set out in the notice of general meeting.

The directors recommend members read these explanatory notes in full and, if desired, seek advice from their own independent financial or legal adviser as to the effect of the proposed resolutions before making any decision in relation to the proposed resolutions.

## Annexure – Glossary

### 1. Definitions

The following definitions are used in the Notice of Meeting and the Explanatory Memorandum:

**Associate** has the meaning given to that term in the Act.

**ASX** means ASX Limited ACN 008 624 691.

**ASX Listing Rules** means the Listing Rules of the ASX as amended from time to time.

**Board** means the board of Directors of the Company.

**Company** means IDT Australia Limited ABN 66 606 522 970.

**Corporations Act or Act** means the *Corporations Act 2001* (Cth).

**Director** means a director of the Company.

**Employee Share Plan** has the meaning in section 4.1 of the Explanatory Memorandum.

**Executive Share Option Plan / ESOP** has the meaning in section 5.1 of the Explanatory Memorandum.

**Explanatory Memorandum** means the explanatory memorandum attached to this Notice.

**Extraordinary General Meeting** means the extraordinary general meeting of the Company to be held on 9 October 2013 pursuant to the Notice of Meeting.

**Meeting** means the extraordinary general meeting subject to this Notice.

**Notice of Meeting** or **Notice** means this notice of extraordinary general meeting.

**Offer** has the meaning as defined in section 1.1 of the Explanatory Memorandum.

**Offer Shares** means the Shares offered under the Rights Issue.

**Participating Directors** means Graeme Kaufman and Paul MacLeman, and each is a Participating Director.

**Placement** has the meaning as defined in Resolution 1.

**Placement Shares** means a Share issued under the Placement.

**Placement Underwriter** has the meaning as defined in section 1.2 of the Explanatory Memorandum.

**Rights Issue Offer / Rights Issue** has the meaning as defined in section 1.1 of the Explanatory Memorandum.

**Rights Issue Underwriter** has the meaning as defined in section 1.1 of the Explanatory Memorandum.

**Resolution** means the resolutions referred to in the Notice of Meeting.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

This page has been left intentionally blank



ACN 006 522 970

**Lodge your vote:**



**By Mail:**

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

**For all enquiries call:**

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

000001 000 IDT  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Proxy Form

For your vote to be effective it must be received by 10:00am (Melbourne time) Monday, 7 October 2013

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the information tab, "Downloadable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**Turn over to complete the form** ➔



View your securityholder information, 24 hours a day, 7 days a week:

**[www.investorcentre.com](http://www.investorcentre.com)**

- Review your securityholding
- Update your securityholding

**Your secure access information is:**

**SRN/HIN: I999999999**



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark  to indicate your directions

### STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of IDT Australia Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of IDT Australia Limited to be held at 45 Wadhurst Drive, Boronia, Victoria on Wednesday, 9 October 2013 at 10:00am (Melbourne time) and at any adjournment or postponement of that meeting.

**Important for Resolution 2:** If the Chairman of the Meeting is your proxy and you have not directed him/her how to vote on Resolution 2 below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Resolution 2 and your votes will not be counted in computing the required majority if a poll is called on this Resolution. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 2.

I/We acknowledge that the Chairman of the Meeting may exercise my proxy even if he/she has an interest in the outcome of that Item and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

### STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution 1 Approval of Share Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Participation of Graeme Kaufman in the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Participation of Paul MacLeman in the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Ratification of Share issue to I'rom Holdings Co. Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Ratification of Share issue to eligible employees under the Employee Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Ratification of option issue to Paul MacLeman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

### SIGN

**Signature of Securityholder(s)** *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name \_\_\_\_\_

Contact Daytime Telephone \_\_\_\_\_

Date \_\_\_\_ / \_\_\_\_ / \_\_\_\_

IDT

1 7 2 7 1 3 A

Computershare